

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Senate Bill 577 be amended to read as follows:

- 1       Page 27, line 16, delete "has the authority to approve under this" and
- 2       insert **"operated before the management agreement is executed or**
- 3       **is operating on the date the management agreement is executed."**
- 4       Page 27, delete line 17.
- 5       Page 27, delete lines 38 through 42, begin a new paragraph and
- 6       insert:
- 7       **"(b) The management agreement must include the following**
- 8       **provisions to ensure that the manager does not earn excess revenue**
- 9       **under the management agreement:**
- 10       **(1) The budget agency shall calculate the average annual**
- 11       **growth (expressed as a percentage) in gross revenue earned**
- 12       **by the commission during the last ten (10) full state fiscal**
- 13       **years preceding July 1, 2006. For purposes of this subsection,**
- 14       **this percentage is referred to as the "baseline growth**
- 15       **percentage".**
- 16       **(2) Beginning with the second full state fiscal year after the**
- 17       **execution of the management agreement, the budget agency**
- 18       **shall for each state fiscal year calculate the growth (expressed**
- 19       **as a percentage) in gross revenue earned by the manager**
- 20       **under the management agreement, as compared to the**
- 21       **preceding state fiscal year.**
- 22       **(3) The commission shall establish an excess payments**
- 23       **account for purposes of this subsection. Any earnings from**
- 24       **money in the excess payments account accrue to the account.**
- 25       **Money in the excess payments account may be used only to**
- 26       **make payments to a manager as required by this subsection**
- 27       **and to receive payments from a manager as required by this**
- 28       **subsection. Money in the excess payments account is**
- 29       **continuously appropriated for purposes of this subsection.**
- 30       **(4) If the percentage calculated by the budget agency under**
- 31       **subdivision (2) for a particular state fiscal year exceeds the**

baseline growth percentage, the manager must make an additional payment to the commission. The amount of the additional payment for the state fiscal year is equal to:

(A) the gross revenue earned by the manager from lottery tickets in the state fiscal year; multiplied by

(B) the difference between the percentage calculated by the budget agency under subdivision (2) for the state fiscal year and the baseline growth percentage.

The commission shall deposit any additional payment made by the manager under this subdivision into the excess payments account.

(5) If the baseline growth percentage exceeds the percentage calculated by the budget agency under subdivision (2) for a particular state fiscal year, the commission must make a payment to the manager from the excess payments account. However, the commission is required to make a payment to the manager only if the excess payments account has a positive balance. The amount of the payment by the commission for the state fiscal year is equal to the lesser of:

(A) the result of:

(i) the gross revenue earned by the manager from lottery tickets in the state fiscal year; multiplied by

(ii) the difference between the baseline growth percentage and the percentage calculated by the budget agency under subdivision (2) for the state fiscal year; or

(B) the balance in the excess payments account.

(6) The management agreement must specify the time by which a payment required under this subsection shall be made.

(7) If at the expiration or termination of the management agreement there is money remaining in the excess payments account, the commission shall transfer that money to the administrative trust fund established by IC 4-30-15-1."

Page 28, delete lines 1 through 4.

Page 28, line 40, after "state." insert "The management agreement must include guidelines to ensure that advertising and promoting

1     **of the lottery by the manager are not misleading and fairly balance**  
2     **the potential benefits and the potential costs and risks of playing**  
3     **lottery games."**

(Reference is to SB 577 as printed February 23, 2007.)

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Senator DILLON